

GENERAL AND REVENUE SECRETARIAT.

(General Fin.)

NOTES.

File No. 107-k

FILE HEADING.

Budget Estimates for 1917-18.

From

No.	Dated	Received
Diary No.	Enclos.	Spare Copies.
		Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

It was announced in the last Representative Assembly that there would be a second session of the Assembly in the last week of April from the 23rd April to discuss the Budget.

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2 2. If the budget is to be discussed on the 23rd copies thereof should have been distributed to the members sometime earlier to afford them an opportunity to go through and digest it. Taking 10 days for this purpose final copies should have been distributed to them by the 12th April at the latest.

3 3. The dates sanctioned at present for the several stages of Budget work are as follows: —

From T

1 Receipt of individual departmental estimates

5th Jan 5th M

2 Examination of the departmental estimates and provisional passing of the same by Government.

about 20th Jan 1st M

3 Submission of preliminary 'Consolidated estimates'

Major Head notes by Comptroller

15th May

4 Consideration of above and issue of Govt orders thereon.

5 Copies of Consolidated draft Budget estimates and explanatory memorandum

to be ready for presentation

to the Legislative Council by the 20th June

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4. Copies of ^{the} Budget which were being hitherto got ready by the 20th June with not a little difficulty and after work at high pressure in the Comptroller's office and the Secretariat will thus, in future, have to be got ready hereafter by the 12th April i.e. 2 months and 8 days earlier. This involves a reduction of nearly 40% in the time now allowed for Budget-work, viz 5½ months from 5th January to 20th June.

5. The nature of the Budget that shall be got ready by the 12th April, its relation to the final budget and the budget that is presented to the Legislative Council and the changes to be adopted in the present Budget-procedure necessary to ensure copies being ready by the 12th April require to be considered at some length.

6. For a budget which is to be ready by this date the revised estimates can be based on only seven months' actuals and they will therefore exhibit considerable divergence from the actuals. As regards the Budget of the coming year neither the forecast of revenue ~~to~~ nor the programme of expenditure can be very accurate and full

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presented
G.M. 124)

when prepared so long before the opening of the official year. The divergence between estimates and actuals which is now being noticed and commented on will, it is to be feared, become larger hereafter. However, as Govt. have ruled it, a Budget has to be prepared by this date as best as we can. It is however a matter for consideration if the Budget presented to the Legislative Council and that to be finally passed should merely be a copy of this, or should be new compilations altogether. It is also for consideration if it should be accompanied by an explanatory memorandum and if it should be a detailed compilation or if it may merely be an 'abstract' Budget like the Kannada Budget prepared for the D. R. Assembly last year. An abstract Budget could be more easily prepared - particularly in the revised portion and would appear to be equally suitable. Whatever may be the form of the compilation, the formalities enumerated in para 3 above will have to be gone through. It may be necessary to make suitable modifications in the procedure to ensure the work being done in the shorter time allotted for it, but it is very necessary that when the

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Procedure is prescribed every one dealing with the Budget- from the Departmental Head onwards should adhere strictly to the due date and that adequate establishment be given to the Financial Branch to handle the work satisfactorily. In spite of repeated instruction it has been found very difficult to make any one observe the due dates in the matter; Heads of Departments often send their estimate long after the due dates, the Comptroller's report is not received in time, the Administrative Secretariat Branches delay the Budgets when sent to them unduly and some time is taken up in circulating to the Councilor and in submitting to His Highness all Departmental estimates however unimportant they may be. Strict instructions to adhere to due dates will have to be issued.

78. As regards establishment for the Secretariat, it has to be said that it has all along been the practice to expect the Financial Secretariat to do the work without any additional help, in addition to its ordinary work. Taking into account the fact that the Secretariat Branch is always undermanned, one or two officials being always on leave without any substitutes in

yes - M
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their place, and the paucity of trained hands who can be made use of for Budget work, it was with the greatest difficulty Budget work could be got through in recent years particularly so when the Budget had to be ready by a fixed date for the Legislative Council. The Government of India appoint a special officer and special establishment for Budget work. Last year I had to detache three officials from their ordinary work and place them on special duty for Budget work as without such arrangement I could not get on with the work. It is I think necessary to sanction for the Financial Department a special temporary establishment for a period of three to four months of an Assistant Superintendent on Rs 100, two clerks on Rs 70 & Rs 40, a Typist on Rs 40 and if necessary an additional hand on Rs 30 to assist in correcting proofs for the Press and in translating.

§10. Some changes will have to be introduced in the rules re Budget procedure to simplify work so as to ensure the preparation of the Budget in the shorter period now at our disposal. The following suggestions are made for this purpose: —

I quite agree. Besides this the Asst Secy Fin should be relieved of his routine duties for two months viz. April & May.

M.
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2)

General and Revenue
Secretariat.

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1 Date of Departmental estimate: The date of preparation and submission of Departmental estimates may be shifted back by 15 days on the average, the latest dates for their receipt being fixed at 20th February and work being done during the Xmas holidays also if necessary.

2 Printing of Departmental estimates.

As soon as Departmental estimates are received one copy ^{may} ~~should~~ be sent to the Press for being printed and the examination of the Other Conducts by the Comptroller. It will facilitate working if only printed Copies are to be handled. The extra work on the Press will not be very much as the Budget is always standing matter. About 5 printed Copies at this stage would appear to be more than sufficient. Similarly the departmental estimates sanctioned provisionally may also be got printed and about 10 or 15 Copies taken off. This would enable a Complete Budget being got at any time without any appreciable additional labour.

and the printing
of the figures is
spread over a
longer period

This does not appear
necessary. Too many intermediate
printed editions will be compounding.

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3 The departmental estimates with the report of the Comptroller and the notes of the Financial and Administrative Departments may be considered and passed, at least in the case of ordinary Budgets by the members in charge of the Dept. concerned and of the Finance Dept. The present practice of sending all the estimates to all ^{the} members involves unnecessary waste of time. As the examination at this stage is merely to see that all necessary details are included in the estimates submission to two members may perhaps suffice. The Budgets of the following large spending Department 1 Rev: Commr, 2 Economic Conference, 3 J. C. of Police, 4 Senior Surgeon, 5 J. C. of Education, 6 Public Works, 7 Railways & 8 C. P. Scheme and any particular Budgets which the member in charge may desire to be dealt with in this manner may however be passed through the Council and submitted to His Highness.

4 To keep the members of His Highness informed of the accepted figures of each Department, one of the printed

This can be done only if unsanctioned items are excluded & separately listed for consideration by Council.

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It will be sufficient
if the list of items unsanctioned
as yet but proposed to be
considered for inclusion in the
budget are so circulated.

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Yes M
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Yes. But the Comptroller
may revise the "Revised"
at the time of final
publication of the budget.

M
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Yes M
31/10

Yes. But there will be
lists for future consideration
by Govt, by the Assembly & the
Legislative Council

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Copies of the estimates of the Departments
provisionally sanctioned will be submitted
to them for information.

5 All estimates to be provisionally sanctioned
and provisional sanctions to be communi-
cated to Comptroller by the 5th March.

6 The revised estimates and the major
Head notes to be prepared & submitted by
the Comptroller as soon as possible after 7
months' figures are available, ^{and} in any case
by the 18th March. Their early submission
is necessary as they are ^{required} necessary for
the preparation of the explanatory memo

6 A. The Consolidated estimates and the
general note to be submitted by Comptroller
by about the 18th March.

6 B. Sanctions to new items of
expenditure which Government want
to be provided in the Budget should be
issued before 20th Feb^y, later sanction
not ordinarily to be included.

7 By this time viz 18th March the
Secretariat would have lists of items
for consideration by Government

8 After the Consolidated estimates,
Budget-notes & explanatory memos
are considered by the Council and

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His Highness's orders approving of the figures to be adopted to be issued to Comptroller by 1st April. By 12th April printed copies of the Budget & the explanatory memo to be sent to all the D. R. A. Members.

9 The preparation of the Kannada copies of the Budget will be proceeding simultaneously with the preparation of the English copies. The preparation and printing of this should also be undertaken by the Compt's office.

The Kannada explanatory memo may be got prepared in the Secretariat.

10 To ensure the compilation of the Budget in time ~~the inclusion of~~ ^{whenever} new items in addition to provisional sanctions, should ~~as far as possible be~~ ^{as few as possible}.

11 The Budget thus prepared for the D. R. A is to be revised for being presented to the Legislative Council by the 20th June in the following directions:-

(1) The revised estimates of Revenue and expenditure of current year to be revised according to the latest figures available. For this purpose the major heads will be being reviewed by the Compt and the F. D. in the light of the latest-

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22 4/5 m/2 21/10
4/5 21/10

information available

- (2) New items of expenditure sanctioned by Govt. require to be provided in the Budget.
- (3) Some of the revenue figures may require alteration on the basis of the revised or otherwise.

- 12 A Tabular Statement classified under Major Heads will be kept up in the Secretariat and the Comptroller's office showing the alterations sanctioned from time to time in the Budget as presented to the D. R. A. with reasons and authority therefor. By about the 15th May a complete list of these will be got sanctioned by the Council. The consolidated estimates and the Budget explanatory memorandum prepared in accordance therewith ^{will be} got approved by the 5th June leaving 15 days for getting final printed copies ready for being presented to the Legislative Council. A tabular statement showing the variations between the Budget as presented to the ^{D. R. A. & as presented to the} Legislative Council with reasons for them will be prepared and printed. Copies of this may be furnished to the D. R. A. members for their information. This arrangement will provide for the preparation of an up to date

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24.
 (13) Budget for being presented to the Legislative Council without making it differ unduly from the Budget presented to the D.R.A. and it will also keep the Dussara Members informed of the final figures accepted and the reasons for altering the Budget presented to them.
25. = 13. It is presumed that ^{Part of} the Financial Statement dealing with the debt heads need not be presented to the D.R.A. as its preparation will involve other work.

6 HD As soon as orders are passed on the several points raised above further necessary action will be taken - The Comptroller may also be consulted about the suitability of the proposals made above and about any other suggestions he may have to offer in the matter.

gls:ry

28/10

27.

- (1) I agree with the foregoing note on most points as indicated by marginal remarks.
- (2) I would only suggest one change. ~~Each~~ Each departmental budget as prepared

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by the head of the Deptⁿ or office will consist of two parts:

- (a) Ordinary budget consisting strictly of sanctioned items.
- (b) A list of unsanctioned items proposals re: which have been or are about to be sent up to Govt^y & which should be included in the final budget if possible.

(c) May be s^d by the Member of Govt in charge with the concurrence of the F. D. As regards the lists (b), as items are ~~not~~ disposed of by Govt, they will be struck off the lists either by inclusion in the budget or otherwise. In the last week of March clearance lists will be prepared & considered at a meeting of the Executive Council and the whole ^{rough} budget as proposed to be presented to the R. A. will be submitted for H. M.'s orders.

H. M. If this is approved special forms will have to be got printed for the lists. This method will have the advantage of concentrating attention on the new items requiring special consideration as distinct from the detailed routine ^{draft} budget based on existing sanctions.

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Will F. D. please prepare a calendar
according to the foregoing notes and
submit within two days -

MR

29
33 Draft Budget Calendar for 17-18
is put-up.

31/18
he

Sub²
#00
1-11-16
F(Sev)

he
2-11-16

30. 34 Thanks: now put up a list of points
in the foregoing notes agreed to by me on which
orders of fork are necessary.

31 35 I shall ask for ~~the~~ approval or orders on
these points & on the budget calendar.

MR

32 36 A list is put-up as directed.

3/11
he

Sub²

#00
4-11-16
F(Sev)

he
4/11

33 37 The proposals contained in the note at
Flag N + the calendar at Flag O may be
approved:

MR

100 member
Dewan)

7/11
he

504
9-11-16

2674
11-11-16

34 38 The Secretary will kindly study the proposal
being up in person -

10/11
he

Calcutta

1000-17-12-15

14-11-16

he

(16)
List of points on which
orders of Government are
necessary.

Issue of strict instructions
to adhere to due dates.

Temporary establishment for
a period of 3 to 4 months of
an Assist. Supdt on Rs 100

Clerk .. Rs 70

" .. Rs 40

if necessary another .. Rs 30

& a Typist .. Rs 40

The Assistant Secretary, Finance
to be relieved of his routine
duties for two months, viz April
and May.

Each departmental budget to
consist of two parts: (a) ordinary
budget consisting strictly
of sanctioned items. (b) a
list of unsanctioned items
proposals re which have been
or are about to be sent up
to Govt and which should
be included in the final
budget if possible.

(a) to be sanctioned by member
of Govt in charge with the
concurrence of the F. D.

(b) As items are disposed of by
Govt they will be struck off
the list either by inclusion in

the budget- or otherwise. In the last week of March clearance lists will be prepared and considered at a meeting of the Executive Council and the whole draft budget- as proposed to be presented to the R. A. will be sub^d for H. H. orders.

- 4) Sanctions to new items of expenditure which Govt want to be provided in the Budget- to be issued before the 20th Feb^y, later sanctions not-ordinarily to be included (But- there will be lists for future consideration by Govt, by the Assembly and the Legislative Council.)

Preparation of the Kannada Copies of the Budget- to proceed simultaneously with the preparation of the English Copies, the preparation and printing being undertaken by the Comptroller's office.

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20 Please bring up after next Council meeting.

18.11.16

do
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(16)

Extract from the Proceedings of the 402nd Meeting of the Council
of His Highness the Maharaja, held at Bangalore.
on the 23rd November 1916

8. Subject. - (Clauses viii and x of the schedule.)

Details connected with the preparation of the draft Budget
Estimates for 1917-18 for discussion at the Second Session of the
Representative Assembly.

OPINION OF THE COUNCIL.

- (Annexure I) The annexed draft Budget Calendar may be approved.
- (Annexure II) The temporary establishment suggested may be sanctioned for
forming a separate section for Representative Assembly work.

Sd. N. Visvesvaraya.
Dewan of Mysore.

"EXTRACT"

J. M. Narasimha Rao
25/11
Secretary to Government,
General Department.

7.17

ANNEX I.

...

THE BUDGET YEAR 1917-1918.

.....

Preparation and submission of departmental budget estimates.

20th December 1916 to
20th January 1917.

2.1. - receipt notes of individual estimates to be revised by controller.

Estimates to be provisionally approved are provisional estimates communicated to the Controller

...

22nd March 1917.

Revised estimates and major head to be prepared and submitted by the Controller as soon as possible after the figures are available and in accordance with the

...

17th March 1917.

The consolidated estimates and the major heads to be submitted by the Controller to the

...

1st March 1917.

Consolidated estimates, major heads and lists of particulars for consideration by the Executive Council

...

20th March 1917.

Consideration of the budget explanatory memorandum by the Executive Council

...

2nd April 1917.

Recommendation of the Controller of Finance to be made by the Executive Council

...

1st April 1917.

Estimates to be placed on the table of the Executive Council to be considered by the Executive Council

...

10th April 1917.

Estimates to be placed on the table of the Executive Council to be considered by the Executive Council

...

2nd April 1917.

Duc

-----: 10:-----

ANNEXURE II.

....

The temporary establishment proposed is for a period
of 6 months consisting of the following:-

One Assistant Superintendent	..	on Rs. 100
One Clerk	...	.. on Rs. 70
One clerk	...	.. on Rs. 40
One clerk	...	.. on Rs. 30
Typist	...	.. on Rs. 40.

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Done

Immediate

197/19

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Discussion of Budget by the R.A.

General and Revenue
Secretariat.

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INSTRUCTIONS IN COUNCIL.

" A draft Order re modification of procedure may be pu
up for consideration in Council next week. "

c.s.

File Sec,

Ducci

24/11

173 Ms Fin

By Committee please

Ms

24/11

24 A draft order and an O.M. are put up.

*Subd
not. 25.11.16.*

FL (Sec 7)

*he
25/11*

*Ms
26/11*

25

It seems expedient to consult Mr Datta about the Budget calendar for the Finance Section of the R.D., passed at the last Annual meeting.

26 He may also be consulted about the procedure for getting up the Budget, a subject which was come before the Council on 30/11/16.

First member)

Drees

25/11

27 This may be done if time & time for this before the next meeting on the 30th inst

lllll

26/11

28

To the Fin Sec with compliments for favour of doing the needful or send his papers to me for consulting Mr Datta.

Drees

27/11

29

To Mr Datta with compliments with the file. M.

27/11

30

* subsequently received (pinto) 27/11
copy put up 0 p. 7.6

* A separate note is sent herewith.
K. L. Datta
20.11.16

(Since printed)
copy put up. flag 0

27
121

BUDGET PROCEDURE TO BE FOLLOWED IN FUTURE.

---0000---

It is proposed that in order that the estimates may be prepared earlier for presentation before the second session of the Representative Assembly, the dates on which the departmental estimates are now submitted should be fixed earlier by an average of 15 days. At present, the departmental estimates are submitted to the Comptroller between the 5th of January and the 5th of March. They are therefore based on 5 to 7 months' actuals. If in future, they are required to be submitted between the 20th of December and 20th of February, it will mean that departmental officers will have to fix their estimates only with reference to 4 to 6 months' actuals of the current year. The estimates are revised by the Comptroller, generally, with reference to 8 months' actuals at present and still the estimates as at present prepared do not approximate to the actuals to that extent to which the Budget Estimates of British India and other countries ordinarily do. The following comparison of the actuals with the Budget Estimates of the last 5 years shows that there is considerable room for improvement in the methods of preparation of the estimates so as to make them approximate more closely to the actuals.

Statement

STATEMENT SHOWING COMPARISON OF ACTUALS WITH BUDGET ESTIMATES

FROM 1911-12 to 1915-16.
(In thousands of rupees.)

	Budget.	Actuals	Actuals	
			Better	Net Better
1911-12 Total Revenue	2,35,80	2,50,90	15,10	
" Expenditure	2,39,09	2,32,01	7,08	
Surplus +, Deficit—	- 3,29	18,89	22,18	22,18
1912-13 Total Revenue	2,44,60	2,76,07	31,47	
" Expenditure	2,78,06	2,40,78	37,28	
Surplus +, Deficit —	- 33,46	35,29	68,75	68,75
1913-14 Total Revenue ex- cluding Extraordinary receipts of 30,00 on account of surplus revenues of the Assigned Tract.	2,57,17	2,85,91	28,74	
Total Expenditure	3,13,55	2,75,55	38,00	
Surplus +, Deficit -	- 56,38	10,36	66,74	66,74
1914-15 Total Revenue exclu- ding Receipts on account of surplus revenues of Assigned Tract	2,71,66	2,73,06	1,40	
Total Expenditure exclu- ding War Contribution of 50,00	2,63,46	2,42,92	20,54	
Surplus +, Deficit -	8,20	30,14	21,94	
Capital Outlay	95,17	88,91	6,26	28,20
1915-16 Total Revenue	2,74,02	2,96,56	22,54	
" Expenditure	2,73,70	2,48,30	25,40	
Surplus +, Deficit -	32	48,26	47,94	
Capital Outlay	66,35	46,48	19,87	67,81

2. I have already explained in another note that the estimates of Revenue are at present prepared with undue caution, and that they appear to be framed deliberately low with the object of keeping down the estimates of expenditure. This tendency, should, in my opinion, cease as its only effect is that while the Budget Estimates bear a gloomy look the actual results of the

the year/~~six~~^{show} an enormous surplus, and most desirable schemes of administrative reform are held back in the belief that funds are not available to carry them out. Estimates should undoubtedly be framed with caution but care should be taken to see that such caution does not lead to obstruct progress of administration and necessary reforms in it. The estimates should also always provide for a normal surplus to meet unforeseen contingencies.

3. As regards expenditure, the main reason why there is generally such great divergence between the actuals and the estimates, is that provision is made in the estimates for the full sanctioned scale of expenditure and no deduction is made on account of probable savings although experience in the past clearly shows that the full sanctioned scale is never worked up to ~~x~~ and there are always large savings on the sanctioned grants. A glance at the estimates of the different Provinces in British India will show that under all important heads of expenditure, large deductions are made on account of probable savings on their sanctioned scales of fixed charges. These probable savings are calculated with reference to the experience of past years, allowance being made for exceptional circumstances in each of the past years as well as the next year. In future, therefore, care should be taken to make such deductions under all important heads in the estimates of Mysore also.

4 Considering the fact that even under the present procedure of preparing the estimates with reference to the latest actuals, the estimates are found to differ so widely from the actuals, I think it would be a retrograde step to require departmental officers to submit their estimates earlier than at present. In fact, I think the dates are too ~~x~~ early at present and that the Comptroller and the Secretariat take too long a time in considering these estimates. The whole Budget procedure should, therefore, be changed so that departmental officers also may be able to utilise the actuals of the latest possible months in preparing the estimates.

Under

5. Under the present procedure, departmental officers are required to prepare their estimates and these are examined in very great detail by the Comptroller and are then submitted to Government for consideration and final orders. The following steps should be taken to reduce the amount of work involved in the preparation and examination of the estimates, in the departmental offices, in the Comptroller's office and in the Secretariat.

- (1) The amount of detail in which the estimates and accounts are prepared at present should be substantially reduced. I have prepared a note on this subject and will send copies of it to-morrow.
- (2) The process of the preparation of the estimates in departmental offices and in the Comptroller's Office should proceed simultaneously; and instead of departmental officers submitting detailed estimates to the Comptroller, the Comptroller should send estimates prepared by himself to departmental officers for examination and comparison with those prepared by themselves, except in the case of a few selected heads of revenue, the estimates under which should be submitted by Heads of Departments to the Comptroller before-hand. This will considerably reduce the time now taken by the Comptroller in examining, preparing and consolidating the estimates.
- (3) Taking first the Civil Department, the Comptroller will always be able to prepare estimates of revenue with reference to the actuals of past years, the progress of the receipt of Revenue in the current year and the circumstances of the next year, so far as they are known to him. In regard to the principal and important heads of revenue the departmental officers will send him detailed estimates in advance. The estimates of expenditure consist of (i) fixed charges, such as salaries and allowances of Gazetted officers as well as establishment and (ii) fluctuating charges such as travelling allowances, supplies and services and contingencies. So far as fixed charges are concerned,

the

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the Comptroller has every means of framing an estimate of the charges ~~is~~ already sanctioned. The present practice is to require departmental officers to make the necessary provisions and then to have them checked in detail in the Comptroller's Office with reference to audit registers. This involves a great deal of unnecessary labour. The provision for fixed charges included in the estimates of the current year has already been checked in detail with reference to sanctions noted in audit registers, and a further check of these figures in order to frame the estimates of the next year is quite unnecessary. All that is required is that the Comptroller should maintain a special register of all new sanctions not included in the estimates of the current year, of all new increments in progressive salaries accrued during the same and of all appointments abolished and decreases of salary sanctioned in the year. It will be sufficient if, in framing the estimates for the next year, provision is made by the Comptroller for these new sanctions, new increments and decreases, over and above the provision contained in the estimates of the current year, without attempting to check these again.

(4) As regards fluctuating charges, the Comptroller will be able to prepare fairly reliable estimates with reference to the actuals of past years and the progress of the expenditure in the current year, after making allowance for special circumstances in each of the years.

6. The Comptroller will thus be able to prepare detailed estimates for all Civil Departments with reference to existing sanctions and circumstances. He will not however make any provision for new items of expenditure which should require the sanction of Government.

7. These estimates of fixed and ordinary fluctuating charge should not require any detailed ~~scrutiny~~ scrutiny in the Secretariat and may very well be left to the Comptroller, to settle finally in communication with departmental officers as explained below.

All that is necessary for the Secretariat to do in connection with these, is to examine them in lump by major heads, and in some special cases by minor heads, by means of Budget notes in the form used by the Government of India which gives details by major and minor heads, there being a separate note for each major head. Budget notes in the same form are even at present prepared by the Comptroller but no practical use is made of them now, as they are prepared practically after the compilation of the estimates has been finished. It is by means of these Budget notes, that the Government of India exercises its control over the estimates of all the Imperial Departments and the Provincial Governments. These notes pass forwards and backwards between the responsible Accountant General and the Finance Department, three times between their first commencement and their final finish. They are thus subjected to three revisions with reference to the actuals of 8, 9 and 10 months and in the case of most important heads 11 months also. The Finance Department of the Government of India does not take more than two or three days to pass orders on any of the estimates however large, e.g., estimates of the Military Department, Public Works Department, estimates of some of the large provincial Governments, Madras, United Provinces, Bombay, etc., and many of the smaller estimates are passed even in a shorter time. In fact the whole of each of the first two editions is done in about 10 days and the third edition does not occupy more than two or three days altogether.

8. Considering the above, I think the Secretariat here should not take very long in passing orders on the estimates of the different departments of the State.

9. While the Comptroller will be preparing in his own office and from materials available there and from the estimates of revenue under some special heads furnished by departmental officers, detailed estimates under all the heads, the departmental officers also will be preparing similar estimates in consultation with their subordinates as at ~~present~~ present. The Comptroller

will

(32)

will then forward the estimates prepared by him to the departmental officers giving ^a explanations where necessary of the provisions made by him. The Heads of Departments and other officers, receipt of these estimates will compare them with those prepared by themselves and will suggest alterations which might appear necessary and give full explanations to justify ~~a~~ such alteration and return the estimates with the proposed alterations and explanations to the Comptroller within 10 days after receipt. If they have any new special items~~x~~ of expenditure to provide they will also propose them. These proposals about new special items of expenditure will ^{also} be communicated by them direct to Government in the administrative department concerned. The Comptroller will accept or reject such of the alterations as do not require the sanction of Government, in the light of the actuals of the past years and the explanations furnished by departmental officers. For other alterations and new items of expenditure proposed, which require the sanction of the Government, he will tabulate them in a classified form and submit them for the orders of Government. At the same time he sends his estimates to departmental officers, he will submit two copies to Government one for the consideration of the Finance Department and the other for the consideration of the Administrative Department, the former being accompanied by a Budget note in the form already referred to. The Administrative Departments should be required to submit their remarks on the estimates for their departments, to the Finance Department within a week or ten days at the most after receipt. All the estimates will be ~~xxxxxxxx~~ completed by the Comptroller in this way by the 1st of March and on the 5th idem he will forward to Government a consolidated estimate in print containing explanations of all unusual items together with a complete set of the Budget notes giving 7 months actuals in every case and a general note reviewing the financial position and bringing out clearly the surplus left after providing ~~xx~~ for all ordinary expenditure and dealing also with the question of the ways and means of the year. He will include in these estimates all sanctions received in his office up to 1st February.

28
18

10. It will then be for Government to return the estimates either accepting them tentatively or directing alterations to be made in them or calling for further explanations and also to decide how the surplus, if any, as shown in the estimates as ~~xx~~ corrected by them, is to be utilised. The Budget notes with provincial orders should be returned to the Comptroller by Government not later than the 15th of March, while the proposals sanctioned for utilising the surplus if any, should ^{be} communicated to him by the 25th March.

11. The detailed estimates may be sanctioned by the Financial Member in consultation with the Member in charge of the Administrative Department and need not be either considered in Council or submitted to His Highness. Only the general financial review and the proposals for utilising the surplus if any, need be considered in Council and submitted to His Highness for sanction. These proposals after they have been finally sanctioned by His Highness should be communicated to the Comptroller by the 25th March for incorporation in the estimates.

12. The Departmental officers should be required to return the estimates to the Comptroller not later than the 12th March. If any are not returned, the Comptroller will assume that the Departmental officers have no alterations to suggest and will take the estimates as finally accepted by him. The departmental officers and the Comptroller will thus be jointly responsible for the estimates as at present and it should be explained to departmental officers that the alterations now made in the procedure are not intended to reduce their responsibility in any way.

13. The Comptroller will have also received by the 15th March the orders of Government on all the estimates submitted by him. He will then revise the estimates in accordance with these orders as also include the alterations suggested by departmental officers and accepted by him. He will mention these alterations specifically in his Budget notes giving the required explanations so as to enable Government to make out easily what the alterations are and why ^{they} have been proposed. He will also mention the new charges which may have been proposed by departmental officers and will also give in the Budget notes the actuals for 8 months. The estimates and Budget notes ~~thereafter~~ thus completed after incorporation of the Government orders about new proposal will be returned by the Comptroller to the Secretariat, on the 28th

March together with a further financial review. These will be considered by Government and final provisional orders will be communicated to the Comptroller on the 5th April. The Comptroller will carry out necessary corrections in his estimates in accordance with the final Government orders and return them to Government on the 10th April. He will at the same time make any necessary important corrections in the Revised Estimates under the important heads in the light of the actual for 9 months which he should arrange to collect by then. The Secretary should then be able to issue the Financial statement as well as the estimates on the 12th April.

14. The estimates of the P.W.D. Railways, C.P.S. &c., will require a slight different treatment. Here also the Comptroller will prepare estimates for all P.W. heads under repairs, establishment and tools and plant and forward them to the Chief Engineer concerned by the 15th February at the latest. It will not however be convenient for the Comptroller to prepare estimates under "Original works". These will be prepared by the Chief Engineer from estimates received by him ~~by~~ from Divisional officers between the 4th and 15th of February. He will then with the help of these and the estimates received from the Comptroller, prepare his consolidated estimates and ~~then~~ send them to the Comptroller not later than the 22nd February. The estimates should ^{be full} in detail and as regards original works should show works in progress or already sanctioned, separately from those which have not received sanction till then. Any alterations made by him in the Comptroller's estimates should also be clearly explained.

15. The Comptroller will examine the estimates received by him from the Chief Engineer and make any alterations which he considers necessary and incorporate them in his consolidated estimates and Budget notes, bringing the alterations made by him in the Chief Engineer's estimates as well as the unsanctioned items provided by the Chief Engineer prominently to notice in the Budget notes. It will be for Government to decide which of the unsanctioned items are to be included in the estimates.

After

16. After the Budget has been presented to the Representative Assembly and discussed by it, in April, it will have to be reconsidered with reference to these discussions and in the light of 10 months' actuals.

17. With this object Government will communicate to the Comptroller any alterations decided upon, after the presentation of the Budget Estimates to the Representative Assembly, by the 15th May. The Comptroller will revise the Budget Estimate in accordance with these orders and in the light of 10 months' actuals and send them to Government on the 10th June together with a new edition of his Budget notes and a general review dealing with the changes made since the previous edition of the estimates. Changes in this edition should be restricted to fairly large amounts say Rs10,000 or at the least Rs5,000 in each case.

18. This is a brief outline of the procedure which I would suggest for adoption in future. If it is accepted the Calendar will be as follows and as there will be a considerable reduction in the work in the Financial Secretariat as compared with that done at present, no temporary addition to it should be found necessary.

Submission of detailed estimates under some special heads of Revenue by departmental officers with reference to 7 months' actuals	14th to 20th February
Completion of departmental Budget Estimates by respective departmental officers.. .. .	15th to 28th February
Preparation of above estimates by Comptroller and their transmission to departmental officers and to Government accompanied by Budget notes	20th Feb. to 1st March
Receipt of Public Works Estimates of Divisional Officers by Chief Engineer.. .. .	5th to 12th February
Submission of some portions of Public Works estimates to Chief Engineer and Revenue Commissioner by Comptroller	15th February.

Submission of Public Works estimates by Chief Engineer and Revenue Commissioner to Comptroller ..	22nd February.
Submission of complete estimates and Budget notes to Governemtn by Comptroller	5th March.
Submission of general Financial Review and Ways and Means fore-cast to Government	5th March.
Return of these Budget notes with provisional orders by Government ..	15th March. *
Provisional orders on general Financial Review	25th March.
Return of Comptroller's estimates by departmental officers with remarks and suggestions	3rd to 12th March.
Submission by Comptroller to Government of a second edition of the Budget Estimates and Budget notes revised with reference to latest orders of Government; the suggestions of departmental officers and actuals of 8 months	28th March.
Return of above by Government to Comptroller with further provisional orders	5th April.
Submission by Comptroller of Budget Estimates and notes finally to Government (final for the 2nd session of the Representative Assembly)	10th April.
Completion of Financial Statement and Budget Estimates by Secretariat. ..	12th April.
Despatch of copies to Members of Representative Assembly ..	12th April.
Communication by departmental officers to the Comptroller of any further alterations in estimates which may appear to them to be necessary ..	25th May.
Further orders by Government as the result of the discussion in the Representative ~~Assembly~~ Assembly and other special circumstances ..	1st June.
Submission of last edition of Budget Estimates, Budget notes and Financial Review by Comptroller to Government ..	10th June.
Final orders of Government on above ..	20th June.
Completion of everything	25th June.

'9 I should also mention here that it is necessary that very early orders should be passed on the note which I am submitting separately on changes in the classification of the transactions

of the State and in the form in which Budget Estimates are to be presented in future. The Comptroller, in future, will be the ~~chief~~ officer mainly responsible for the early and correct preparation of the estimates and his work will be greatly facilitated if my proposals regarding classification are accepted. As the work connected with the preparation of the Budget Estimates will be practically concentrated in his office, it is necessary that his work should be ^{much as} simplified as possible.

20. I have shown this note to the Comptroller and he does not anticipate any difficulties. With so many changes, the strain on him will undoubtedly be great in the first year but as I shall be here myself during most of his anxious time, I shall be glad to render him all possible assistance. Once the system is placed in working order, the pressure will be much less than what it has been in the past.

K. L. Datta

28. 11. 16.

(enc. 25)

Done
29/11

S. R. File No. 637 of 1916.

Serial
No.

31 52 I have no objection to the proposed method being adopted.

32 53 If approved a draft with paras 5-19 of Mr. Datta's note as annexure will be put up.

33 54 Under para 11 of the note the departmental detailed estimates ~~will~~ ^{may} be sanctioned by the Finance member in consultation with the member in charge of the Administrative Dept^{ts} and need not be either considered in Council or submitted to His Highness. This is a material alteration of Clause (11) of the schedule and practically gives power to the members to make any provision in the budget. Also it will be necessary to lay down what will be the procedure if the Fin. member & the Admin member differ; also what the responsibility of the Fin. Secy ^{will} be in the matter.

34 55 I am strongly of opinion that it is necessary ^{that} the lists of increases and special items in the budget of each department should be considered in Council & submitted to H.H.

35 56 Personally I think that if the reduction of budget details referred to in para 5 (i) of Mr. Datta's note is substantial our present method which is simpler can be worked expeditiously & well. With a reduction in details & a system under which the list of increases & special items of each department only will

Serial
No.

be dealt with as Council matter, the routine budget being sanctioned by members of Council, in consultation with the F.D., there should be no room for complaint of in the present system. If Govt. agree we may give this system a trial this year, the procedure suggested by Mr. Datta be adopted from next year if necessary.

M2

29/11/16

18th member
Dewan

879

1.12.16

57 ~~56~~ The system suggested by Mr. Datta may be tried this year, I think.

But if it is considered desirable to give Mr. Datta's system a trial then he is to make the position very convenient at the next meeting of the Council, both those officers being reported to be present.

Dewan)

1/12/16

M2

3/59

1.12.16

Extract of the Proceedings of the 403rd Meeting of the Council
of His Highness the Maharaja, held at Bangalore
on the 6th December 1916.

6. SUBJECT.- (Clause viii of the schedule.)

58
Details connected with the preparation of the draft Budget Estimates for 1917-18, for discussion at the Second Session of the Representative Assembly.

OPINION OF THE COUNCIL.

37. 59 The proposals of Mr. Datta may be generally approved.

(Sd.) M. VISVESVARAYA,
Dewan of Mysore.

10
"EXTRACT"

D. M. Narayana Rao

Secretary to Government,
General Department.

General and Revenue
Secretariat.

File No.

of 191

DRAFT ORDER IN
COUNCIL.Serial
No.Draft order may
be put up by the Finl.
Secretary, with a D.F.N."

Extract from the Proceedings of the Council is put up.

Forwarded with compliments to the Secretary to
Government, Financial Department,
for favour of necessary further action.

By Order

D. M. Narayanao 6712

Secretary to Government,
General Department,MS For II

- (1) Please put up a draft + a D.F.N. + a D.S.N.
- (2) The council has ~~not~~ generally approved H. Datta
note but on all points on which difficulty is
apprehended alterations may be suggested with
suitable explanation in the margin of the draft.

In particular the Council were of opinion
that all lists of excesses ~~over~~ over 5% or
normal grants should be Council matter in the
same way as additional items.

I have discussed this with you but if necessary
bring up again.

The draft order and typed copies of D.S.N. and D.F.N. as
revised by the F.C. Secy are put up.

F.C. Secy/

(1st Member)

11/12

D.F.N. approved
12/12

65

Draft order ^{also} approved by the First Member. Final
Note ~~also~~ signed by the Member is put up.

Recd 12-12-16
1:30pm
R/S

NOTE—Contn. sheet.

W D 2382—(4PB—500—20.3.16)

1068
12-12-16

12/12/16

37

G. R. S. 12]

General and Revenue
Secretariat.

File No.

67

of 191 .

Serial
No.

3450
13.12.16

Dewan).

12.
13/12/16

NOTE— Contn. sheet.

Final Note by the First Member of Council.

Subject:—

Details connected with the preparation of the Draft Budget Estimates for 1917-18 for discussion at the Second Session of the Representative Assembly

The State Budget which was hitherto being prepared by about the 15th June will have to be ready hereafter by about the 15th of April for being discussed in the second Session of the Dasara Representative Assembly. The present Budget procedure therefore requires to be altered. Mr Datta, to whom the matter was referred, has framed a scheme which involves some radical changes in the system now adopted. A printed copy of his note is herewith submitted for perusal.

2. Under the present system, every Departmental estimate prepared and submitted by the Head of the Department is reviewed by the Comptroller and the Financial Branch of the Secretariat in consultation with the Administrative Branch and then passed through the Council and submitted to His Highness for sanction. Alterations recommended by the Council in the figures proposed by departmental officers are specially brought to His Highness' notice in the budget review for each department prepared in the Finance Branch. In this way the budget of each department is submitted to His Highness as a whole and every increase or additional item in the budget receives his sanction.

3. According to the proposed system, however, the discretion to include, omit or alter provisions for ordinary items will be left to the Comptroller (para 9). The Government will not enter into the details of the

the estimates but pass orders only on the totals of major head and minor heads (para 7). The Departmental estimates will be sanctioned by the member in charge of the Finance Branch in consultation with the member in charge of the Administrative Department. (para 11). Only the general review and the mode of utilising the surplus will be considered by the Council and submitted to His Highness (para 11).

4. The Comptroller who is at present only the compiler of figures sanctioned by Government will thus be ~~in~~ invested with the power of including increases in the budget to a large extent on his own authority subject to subsequent ratification by Government. This ratification, the Government will give by means of a review of lump sum totals of major and minor heads and not by examination of the individual items of increase.

5. It is claimed for the proposed scheme that it will reduce work in the Secretariat, relieve Government of the trouble of passing orders on a number of small points and enable them to concentrate attention on the broad features of the budget and the general financial policy. The Comptroller says that this procedure may be followed in preparing the estimates for 1917-18 to be presented to the Representative Assembly in April 1917. He however adds that the whole work of framing the estimates has to be done in the Comptroller's office and four editions of budget notes, four consolidated budget estimates and four reviews have to be prepared and that in view of all this, special strengthening of the budget section will be necessary. The Financial Secretary is also agreeable to the proposals generally but thinks that for budget work this year which has to begin almost immediately in view of the April Session of the Representative Assembly the procedure suggested by him and already approved by the Council

may be adopted, the general changes indicated by Mr. Datta being adopted from the next year. The Financial Secretary is also of opinion that lists of increases and special items in the budget of each department should be considered in Council and that as soon as the complete budget for a department is framed by combining the ordinary budget and the special list, it should be submitted to His Highness for sanction as required by clause 3 of the schedule.

6. The subject was considered by the Council who are of opinion that the proposals of Mr. Datta may be generally approved.

7. A draft order is accordingly put up.

Lehmann

12th Dec
1916

Submitted to His Highness.

I herewith submit a final^x note by the First Member and a draft^x order regarding the revised budget procedure to be adopted for getting the budget ready by the middle of April for discussion in the Second Session of the Dasara Representative Assembly.

2. The revised procedure has been suggested by Mr. Datta who has special experience of budget procedure in British India.

3. If any difficulties are experienced in working the revised scheme Mr. Datta will be here till the middle of March to help us in removing them.

4. The draft^x order may be graciously approved.

M. Y. Venkataswamy

13th Dec 1916.

Record of Cases submitted for the Orders
of His Highness the Maharaja

Subject.



Draft order regarding the revised budget procedure to be adopted for getting the budget ready for discussion in the Second Session of the Representative Assembly.

620

Order.

~~KRM~~

15/12/16

H. K. K.

16/12

W. K.

Dec 16/16

M.

18/12/16 at once

18/12/16

Q. 7 File No. 107 of 1916.

Serial
No.

1

To The Comptroller

H 3396-444 of: 19.12.16

Passes modified order regarding Baw g
estimate for 1917-18

To The Head of Dept.

To The Dy. Commissioner of Baw

To Mr. Secretary

To Mr. R. S. Walla

Records the

Alma

5
G.R.S. 28

Diary No. of letter replied to

GENERAL AND REVENUE
SECRETARIAT.

()

, the

191 .

Date of issue

Signed by

May this be

1 printed? *yes* *h.*

2 treated as a standing order? *yes* *h.*

3 published in the Gazette English part? *no*

4 translated? *no*

5 placed at the disposal of the press? *no*

6 published in the Gazette *no*
Kannada part?

Draft as approved by Finl Secy
on 9.12.16.

C. 7

File No. 107-16

Serial No. - 1 .

Proceedings of the Government of His Highness
the Maharaja of Mysore

READ again: -

The Government
orders noted below about
the preparation of the budget
estimates: -

(1) No: FL 1150-1192-18-01-02

~~ORDER THEREON~~ No.

dated 7th February 1903.

(2) No: FL 3816-60-G.F.

59-12-2 dated 15th Jan^y 13

over.

SUBJECT.

Order No H 3396-4648 19 Dec/16

As it has been decided to hold a second session of the Dasara Representative Assembly during the last week of April to discuss the Budget Estimates of the ensuing year it has become necessary to reconsider the orders read above according to which the budget would be ready by about the middle of June. Mr. Latta who was consulted in the matter has suggested an entirely new procedure — ~~entered as an~~ ^{outlined in the} appendix to this order — for getting the estimates ready by the middle of April. He expects that the suggested procedure will give more time for the departmental officers to frame their estimates,

GENERAL AND REVENUE
SECRETARIAT.

(Continuation sheet draft form.)

will reduce work in the Secretariat, render the estimates more accurate and enable the Government to concentrate attention on the broad features of the budget and the general financial policy of the year. The Comptroller who under the proposed system will be mainly responsible for the timely and correct preparation of estimates does not anticipate any difficulties in adopting the suggested procedure for preparing the budgets of 17-18 onwards though in the first year it will involve considerable strain on his office.

Govt are accordingly pleased to sanction in

Supersession of previous orders on the subject the procedure suggested by Mr Datta which will come into force at once. All officers concerned will carefully study the Scheme outlined by him & conform to it strictly taking particular care to see that the dates prescribed for the several items of work for which they are responsible are adhered to. Departmental officers should ~~wholeheartedly~~ cooperate with the Comptroller ~~by amicable~~ⁱⁿ coming to a settlement regarding the provisions to be made in the estimates about ~~which there might be~~ difference of opinion between them and the

GENERAL AND REVENUE
SECRETARIAT.

(Continuation sheet draft form.)

~~Comptroller~~ and by
furnishing him without
the least delay with
any information he may
require regarding the
estimates of their Dep^{ts}

Wes
12/12/16

Ag.
8.12.16

Mr
9/12

Finl Secretary

The Comptroller

" Heads of Dep^{ts}

" Dy Commrs of Dist^s

" Other Secretaries of Govt

Mr K L Datta

Appendix

How

8/12/16

Paras 5 to 19 of
Mr Datta's note.

**Government of His Highness the Maharaja
of Mysore.**

GENERAL AND REVENUE DEPARTMENTS.



G.O. No. Fl. 3396-444—G. F. 107-16-1, dated 19th Dec. 1916.

Revised Budget Procedure.

Sanctions the —— to be adopted for getting the budget ready for discussion in the Second Session of the Representative Assembly.

Revised Budget Procedure.

Fr. 3396-444—G. F. 107-16-1 DATED 19TH DECEMBER 1916.

**PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE.**

GENERAL AND REVENUE DEPARTMENTS.

READ AGAIN—

The Government Orders noted below about the preparation of the budget estimates :—

- (1) No. Fl. 1150-1192—G. F. 18-01-02, dated 7th February 1903.
- (2) No. Fl. 3816-60—G. F. 59-12-2, dated 15th January 1913.

Order No. Fl. 3396-444—G. F. 107-16-1, dated 19th December 1916.

As it has been decided to hold a Second Session of the Dasara Representative Assembly during the last week of April to discuss the budget estimates of the ensuing year, it has become necessary to reconsider the orders read above according to which the budget would be ready by about the middle of June. Mr. Datta who was consulted in the matter has suggested an entirely new procedure—outlined in the appendix to this order—for getting the estimates ready by the middle of April. He expects that the suggested procedure will give more time for the departmental officers to frame their estimates, will reduce work in the Secretariat, render the estimates more accurate and enable the Government to concentrate attention on the broad features of the budget and the general Financial policy of the year. The Comptroller who under the proposed system will be mainly responsible for the timely and correct preparation of estimates does not anticipate any difficulties in adopting the suggested procedure for preparing the budgets of 1917-18 onwards.

Government are accordingly pleased to sanction in supersession of previous orders on the subject the procedure suggested by Mr. Datta which will come into force at once. All officers concerned will carefully study the scheme outlined by him and conform to it strictly taking particular care to see that the dates prescribed for the several items of work for which they are responsible are adhered to. Departmental officers should co-operate with the Comptroller in coming to a settlement regarding the provisions to be made in the estimates and by furnishing him without delay with any information he may require regarding the estimates of their Departments.

J. S. CHAKRAVARTI,
Financial Secy. to Govt.

To—The Comptroller, Mysore Government.
The Heads of Departments.
The Deputy Commissioners of Districts.
The other Secretaries to Government.
Mr. K. L. Datta.

Exd.—C. R.

APPENDIX

Under the present procedure, departmental estimates and ~~they~~ are examined in very great detail by the Comptroller and are then submitted to Government for consideration and final orders. The following steps should be taken to reduce the amount of work involved in the preparation and examination of the estimates, in the departmental offices, in the Comptroller's office and in the Secretariat.

(a) The amount of detail in which the estimates and accounts are prepared at present should be substantially reduced. I have prepared a note on this subject and will send copies of it to-morrow.

(b) ~~(a)~~ The process of preparation of the estimates in departmental offices and in the Comptroller's Office should proceed simultaneously: and instead of departmental officers submitting detailed estimates to the Comptroller, the Comptroller should send estimates prepared by himself to departmental officers for examination and comparison with those prepared by themselves, except in the case of a few selected heads of revenue, the estimates under which should be submitted by Heads of Departments to the Comptroller before-hand. This will considerably reduce the time now taken by the Comptroller in examining, preparing and consolidating the estimates.

(c) Taking first the Civil Department, the Comptroller will always be able to prepare estimates of revenue with reference to the actuals of past years, the progress of the receipt of revenue in the current year and the circumstances of the next year, so far as they may be known to him. In regard to the principal and important heads of revenue, the departmental officers will send him detailed estimates in advance. The estimates of expenditure consist of (i) fixed charges, such as salaries and allowances of Gazetted officers as well as establishment, and (ii) fluctuating charges, such as travelling allowances, supplies and services and contingencies. So far as fixed charges are concerned, the Comptroller has every means of framing an estimate of the charges already sanctioned. The present practice is to require departmental officers to make the necessary provisions and then to have them checked in detail in the Comptroller's Office with reference to audit registers. This involves a great deal of unnecessary labour. The provision for fixed charges included in the estimates of the current year has already been checked in detail with reference to sanctions noted in audit registers, and a further check of these figures, in order to frame the estimates of the next year, is quite unnecessary. All that is required is that the Comptroller should maintain a special register of all new sanctions not included in the estimates of the current year, of all new increments in progressive salaries accrued during the same and of all appointments abolished and decreases of salary sanctioned in the year. It will be sufficient if, in framing the estimates for the next year, provision is made by the Comptroller for these new sanctions, new increments and decreases, over and above the provision contained in the estimates of the current year, without attempting to check these latter again.

(d) As regards fluctuating charges, the Comptroller will be able to prepare fairly reliable estimates with reference to the actuals of past years and the progress of the expenditure in the current year, after making allowance for special circumstances in each of the years.

6. The Comptroller will thus be able to prepare detailed estimates for all Civil Departments with reference to existing sanctions and circumstances. He will not, however, make any provision for new items of expenditure, which should require the sanction of Government.

7. These estimates of fixed and ordinary fluctuating charges should not require any detailed scrutiny in the Secretariat and may very well be left to the Comptroller, to settle finally, in communication with departmental officers as explained below. All that is necessary for the Secretariat to do in connection with these, is to examine them in lump by major heads and in some special cases by minor heads, by means of budget notes in the form used by the Government of India, which gives details by major and minor heads, there being a

11 Copy has:
G. L. 10-6
H. L. 10-6

separate note for each major head. Budget notes in the same form are even at present prepared by the Comptroller, but no practical use is made of them now, as they are prepared practically after the compilation of the estimates has been finished. It is by means of these budget notes, that the Government of India exercises its control over the estimates of all the Imperial Departments and the Provincial Governments. These notes pass forwards and backwards between the responsible Accountant General and the Finance Department, three times between their commencement and their final finish. They are thus subjected to three revisions with reference to the actuals of 8, 9 and 10 months and in the case of most important heads 11 months also. The Finance Department of the Government of India does not take more than two or three days to pass orders on any of the estimates, however large, e.g., estimates of the Military Department, Public Works Department, estimates of some of the large provincial Governments, like Madras, United Provinces, Bombay, etc., and many of the smaller estimates are passed even in a shorter time. In fact the whole of each of the first two editions is done in about 10 days and the third edition does not occupy more than two or three days altogether.

8. Considering the above, I think the Secretariat here should not take very long in passing orders on the estimates of the different departments of the state.

9. While the Comptroller will be preparing in his own office detailed estimates under all the heads from materials available there and from the estimates of revenue under some special heads furnished by departmental officers, these latter also will be preparing similar estimates in consultation with their subordinates as at present. The Comptroller will forward the estimates prepared by him to the departmental officers giving explanations, where necessary, of the provisions made by him. The Heads of Departments and other officers, on receipt of these estimates, will compare them with those prepared by themselves and will suggest alterations which might appear necessary and give full explanations to justify such alterations and return to the Comptroller his estimates with the proposed alterations and explanations within 10 days after receipt. If they have any new special items of expenditure to provide they will also propose them. These proposals about new special items of expenditure will also be communicated by them direct to Government in the administrative department concerned. The Comptroller will accept or reject such of the alterations as do not require the sanction of Government, in the light of the actuals of the past years and the explanations furnished by departmental officers. For other alterations and new items of expenditure proposed, which require the sanction of the Government, he will tabulate them in a classified form and submit them for the orders of Government. At the same time when he sends his estimates to departmental officers, he will submit two copies of them to Government, one for the consideration of the Finance Department and the other for the consideration of the Administrative Department, the former being accompanied by a Budget note in the form already referred to. The Administrative Departments should be required to submit their remarks on the estimates for their departments, to the Finance Department within a week or ten days at the latest after receipt. All the estimates will be completed by the Comptroller in this way by the 1st of March and on the 5th idem he will forward to Government a consolidated estimate in print containing explanations of all unusual items together with a complete set of the Budget notes giving 7 months actuals in every case and a general note reviewing the financial position and bringing out clearly the surplus left after providing for all ordinary expenditure and dealing also with the question of the ways and means of the year. He will include in these estimates all sanctions received in his office up to 1st February.

10. It will then be for Government to return the estimates either accepting them tentatively or directing alterations to be made in them or calling for further explanations and also to decide how the surplus, if any, as shown in the estimates as corrected by themselves is to be utilised. The budget notes with provisional orders should be returned to the Comptroller by Government not later than the 15th of March, while the proposals for utilising the surplus, if any, should be communicated to him by the 25th March.

11. ~~The estimates should be~~ sanctioned by the Financial Member in consultation with the member in charge of the Administrative Department and need not be either considered in Council or submitted to His Highness. ~~Only the General Financial review and the proposals for utilising the surplus if any, need be considered in Council and submitted to His Highness for sanction. These proposals after they have been finally sanctioned by His Highness should be communicated to the Comptroller by the 25th March for incorporation in the estimates.~~

12. The Departmental officers should be required to return the estimates to the Comptroller not later than the 12th March. If any are not returned, by that date, the Comptroller will assume that the Departmental officer has no alterations to suggest and will assume that the estimates are finally accepted by him. The Departmental officers and the Comptroller will thus be jointly responsible for the estimates as at present, and it should be explained to Departmental officers, that the alterations now made in the procedure are not intended to reduce their responsibility in any way.

13. ~~The Comptroller will have also received by the 15th March the orders of Government on all the estimates submitted by him. He will then revise the estimates in accordance with those orders as also include the alterations suggested by Departmental officers which he is prepared to accept. He will mention these alterations specifically in his budget notes, giving the required explanations, so as to enable Government to make out easily what the alterations are and why they have been proposed. He will also mention the new charges which may have been proposed by Departmental officers and will also give in the budget notes the actuals for eight months. The estimates and budget notes thus completed after incorporation of the Government orders about new proposals, will be returned by the Comptroller to the Secretariat on the 28th March together with a further financial review. These will be considered by Government and final provisional orders will be communicated to the Comptroller on the 5th April. The Comptroller will carry out the necessary corrections in his estimates in accordance with the final Government Orders and return them to Government on the 10th April. He will at the same time make any necessary important corrections in the revised estimates under the important heads in the light of the actuals for nine months which he should arrange to collect by then. The Secretariat should then be able to frame the Financial Statement as well as the estimates on the 12th April.~~

14. The estimates of the Public Works Department, Railways, Cauvery Power Scheme etc., will require a slight different treatment. Here also the Comptroller will prepare estimates for all Public Works heads under repairs, establishment and tools and plant and forward them to the Chief Engineer concerned by the 15th February at the latest. It will not however be convenient for the Comptroller to prepare estimates under "Original Works." These will be prepared by the Chief Engineer from estimates received by him from Divisional Officers between the 4th and 15th of February. He will then, with the help of these and the estimates received from the Comptroller, prepare his consolidated estimates and send them to the Comptroller not later than the 22nd February. The estimates should be in full detail and as regards original works should show works in progress or already sanctioned, separately from those which have not received sanction till then. Any alterations made by the Comptroller's estimates should also be clearly explained.

15. The Comptroller will examine the estimates received by him from the Chief Engineer and make any alterations which he considers necessary and incorporate them in his consolidated estimates and budget notes, bringing the alterations made by him in the Chief Engineer's estimates as well as the unsanctioned items provided by the Chief Engineer, prominently to notice in the budget notes. It will be for Government to decide which of the unsanctioned items are to be included in the estimates.

16. After the Budget has been presented to the Representative Assembly and discussed by it in April, it will have to be reconsidered with reference to these discussions and in the light of 10 months actuals.

With this object Government will communicate to the Comptroller any alterations decided upon, after the presentation of the Budget Estimates to the Representative Assembly.

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bly, by the 15th May. The Comptroller will revise the Budget Estimates in accordance with these orders and in the light of 10 months' actuals and send them to Government on the 10th June together with a new edition of his Budget notes and a general review dealing with the changes made since the previous edition of the estimates. Changes in this edition should be restricted to fairly large amounts say Rs. 10,000 or at the least Rs. 5,000 in each case.

18. This is a brief outline of the procedure which I would suggest for adoption in future. If it is accepted, the Calendar will be as follows and as there will be a considerable reduction in the work of the Financial Secretariat, as compared with that done at present no temporary addition to it should be found necessary.

Submission of detailed estimates under some special heads of Revenue by departmental officers with reference to 7 months' actuals	...	14th to 20th February
Completion of departmental Budget Estimates by respective departmental officers	...	(2) & (3)
Preparation of above estimates by Comptroller and their transmission to departmental officers and to Government accompanied by Budget notes	...	15th to 28th February
Receipt of Public Works Estimates of Divisional Officers by Chief Engineers	...	20th February to 1st March
Submission of some portions of Public Works estimates to Chief Engineer and Revenue Commissioner by Comptroller	...	5th to 12th February
Submission of Public Works Estimates by Chief Engineer and Revenue Commissioner to Comptroller	...	15th February
Submission of complete Estimates and Budget notes to Government by Comptroller	...	22nd February
Submission of general Financial Review and Ways and Means forecast to Government	...	5th March
Return of Budget notes with provisional orders by Government	...	5th March
Provisional orders on general Financial Review	...	16th March
Return of Comptroller's estimates by departmental officers with remarks and suggestions	...	25th March
Submission by Comptroller to Government of a second edition of the Budget Estimates and Budget notes revised with reference to latest orders of Government, the suggestions of departmental officers and actuals of 8 months	...	3rd to 12th March
Return of above by Government to Comptroller with further provisional orders	...	28th March
Submission by Comptroller of Budget Estimates and notes finally to Government (final for the 2nd session of the Representative Assembly)	...	5th April
Completion of Financial Statement and Budget Estimates by Secretariat	...	10th April
Despatch of copies to Members of Representative Assembly	...	12th April
Issue of orders by Government communicating provisionally sanctioned Estimates to Departmental Officers	...	1st May
Communication by departmental officers to the Comptroller of any further alterations in estimates which may appear to them to be necessary	...	15th May
Further orders by Government as the result of the discussions in the Representative Assembly and other special circumstances	...	25th May
Submission of last edition of Budget Estimates, Budget notes and Financial Review by Comptroller to Government	...	1st June
Final orders of Government on above	...	10th June
Completion of everything	...	20th June
Issue of final Government orders sanctioning Budget Estimates of each Department	...	25th June
	...	1st July

19. I should also mention here that it is necessary that very early orders should be passed on the note which I am submitting separately on changes in the classification of the transactions of the State and in the form in which Budget Estimates are to be presented in future. The Comptroller will be the officer mainly responsible in future for the early and correct preparation of the estimates and his work will be greatly facilitated if my proposals regarding classification are accepted. As the work connected with the preparation of the Budget Estimates will be practically concentrated in his office, it is necessary that his work should be simplified as much as possible.